

# EXHIBIT 2

Page 1

1 UNITED STATES DISTRICT COURT

2 FOR THE OF MASSACHUSETTS

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5 INSITUFORM TECHNOLOGIES, INC., )

6 Plaintiff, )

7 vs. )

8 AMERICAN HOME ASSURANCE COMPANY, )

9 Defendants. )

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11 The resumed deposition of THOMAS  
12 PORZIO, called for examination, taken before  
13 ANNETTE M. MONTALVO, a Notary Public within and  
14 for the Commonwealth of Massachusetts, and a  
15 Registered Merit Reporter of said state, at 100  
16 Summer Street, Boston, Massachusetts, on the 2nd  
17 day of February, A.D. 2007, at 9:30 a.m.

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<p>1 the host pipe; do you recall that?</p> <p>2 A. Again, like I said before, I don't 3 recall specifically that aspect of it, but --</p> <p>4 Q. And we looked at a document earlier 5 today about the three myths, the fact that CIPP 6 technology cannot be watertight, cannot be 7 smooth, and does not always fit tight to the host 8 pipe. Do you recall that in your memorandum and 9 the guidelines, the three myths?</p> <p>10 MR. PHILBRICK: Objection to form. The 11 witness may answer if he can.</p> <p>12 BY MR. DESCENES:</p> <p>13 Q. You described those as three myths, did 14 you not?</p> <p>15 A. I said, for example, 100 percent 16 watertight.</p> <p>17 Q. Understood.</p> <p>18 A. It is all relative. There are degrees.</p> <p>19 Q. But the specifications in the contract 20 require those things, did it not?</p> <p>21 MR. PHILBRICK: I'm going to object to form. 22 It is argumentative: The witness may answer if 23 he can.</p> <p>24 BY THE WITNESS:</p>	<p>Page 98</p> <p>1 A. Yes.</p> <p>2 MR. DESCENES: I think that's all I have.</p> <p>3 MR. PHILBRICK: Okay.</p> <p>4 EXAMINATION</p> <p>5 BY MR. PHILBRICK:</p> <p>6 Q. You were asked questions about whether 7 Insituform could have purchased pumps as opposed 8 to renting them in Phase 1; do you recall that?</p> <p>9 A. Yes.</p> <p>10 Q. Who would Insituform have purchased 11 pumps from?</p> <p>12 A. Well, I --</p> <p>13 Q. The question is who would Insituform 14 have purchased pumps from?</p> <p>15 A. Well, in retrospect, I guess we could 16 have gone back to Godwin and said, even though 17 the contract line was through D'Allessandro down 18 to us, we could have asked them if we could buy 19 those pumps.</p> <p>20 Q. Any basis for knowing whether Godwin 21 would be willing to sell their pumps?</p> <p>22 MR. DESCENES: Objection as to form.</p> <p>23 MR. PHILBRICK: What's wrong with it?</p> <p>24 MR. DESCENES: No foundation.</p>
<p>1 A. All I can say is the spec did make 2 reference to watertightness and smoothness of the 3 liner.</p> <p>4 BY MR. DESCENES:</p> <p>5 Q. You testified about the bypass alone 6 during Phase 1 costs roughly \$10,000 per day; do 7 you recall that?</p> <p>8 A. Yes.</p> <p>9 Q. And you were of the opinion fairly 10 early on in early November that the pipe liner 11 should be removed and replaced; isn't that 12 correct?</p> <p>13 A. At least portions of it, I recall that.</p> <p>14 Q. And had Insituform done that at that 15 time it would have saved substantial time and 16 money; isn't that correct?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. During that time period in 19 October, November and December of 2003, when 20 Insituform was exploring other repair methods, it 21 cost Insituform time and money, did it not?</p> <p>22 A. Yes.</p> <p>23 Q. And substantial time and money; 24 wouldn't you agree?</p>	<p>Page 99</p> <p>1 MR. PHILBRICK: Okay.</p> <p>2 BY MR. PHILBRICK:</p> <p>3 Q. Any basis for your understanding that 4 Godwin would even be willing to sell its pumps?</p> <p>5 MR. DESCENES: Objection. You can answer if 6 you understand the question. Just like -- same 7 rules apply.</p> <p>8 BY THE WITNESS:</p> <p>9 A. No, other than to say, you know, as you 10 look at a project from the outset, we're looking 11 at it in retrospect; however, you either rent 12 pumps or buy pumps. That's where I was coming 13 from.</p> <p>14 BY MR. PHILBRICK:</p> <p>15 Q. You were asked questions about what was 16 done to mitigate the cost of the repair and 17 replacement -- I mean, the removal and 18 replacements. Do you recall that?</p> <p>19 A. Yes.</p> <p>20 MR. DESCENES: Objection.</p> <p>21 BY MR. PHILBRICK:</p> <p>22 Q. And you had specifically said that you 23 did -- you used the phrase, "we were trying to 24 save -- we were saving time." Do you recall</p>